

Tennessee Board for Licensing Contractors Contractor Classification Outline with Exam and Bidding Information

The following is an outline of classifications currently utilized by the Board and identifies whether there is a “Trade” test required from our list of examinations. Contractors operating as a prime are required to be licensed for projects \$25,000 or more. Please note, “Commercial” contractors are considered acceptable to bid any type of project, with the exception of the bidding law requirements under T.C.A. § 62-6-119, electrical, plumbing, mechanical, HVAC, geothermal, and masonry subcontractor licensing. Otherwise, the contractor must be classified to cover 60% of the project (see T.C.A. § 62-6-111[d]) or subcontract to a properly licensed contractor for portions over \$25,000.

A “Prime” contractor is defined as the one contracting directly with the owner. A “Subcontractor” is defined as the one contracting directly with the prime (general) contractor.

All contractors are assigned a license “classification” and a “monetary limit” on their license certificate. This information may be confirmed at the “License Search” of our website at: <http://verify.tn.gov/>

I. BUILDING CONSTRUCTION (BC) - (Test Required)

The “BC” (commercial) classification requires a combined exam and covers all areas of contracting and building, for residential, commercial and industrial, including any of the 33 building subcategories, with the exception of “Masonry”. The “BC” combined classification is most commonly referred to as a “General” contractor. In addition, a commercial contractor may bid on projects other than as classified, except for the electrical, plumbing, HVAC, and masonry, as long as it is within their assigned monetary limit. For example, a BC classified contractor may bid a “HC” (Heavy Construction) project. There are “combined” exams, such as: “BC-A,b(sm)” (residential and small commercial); or BC (residential, commercial and Industrial).

▶ Residential (BC-A) - (Test Required)

Residential building contractors are those whose services are limited to construction, remodeling, repair, or improvement of one, two, three, or four family unit residences, not exceeding three stories in height and accessory use structures in connection therewith. May also take a combined exam, such as BC-A,B or b(sm) or BC. Residential contractors may bid any of the 33 building subcategories, as long as it is “residential”.

- ▶ **Limited Residential Restricted (BC-A/r) – No Test –** Course at community colleges statewide \$70,000 total project; no 10% bid tolerance; no joint ventures; cannot perform any of the 33 building subcategories, unless it is residential. Must take exams to increase limit or add classifications. *(New rules in process of being drafted.)*

▶ B. Commercial (BC-B) - (Test Required) (May take a combined exam, such as “BC” or “BC-A,B”, etc.)

A commercial building contractor is authorized to bid on and contract for the construction, erection, alteration, repair or demolition of any building or structure for use and occupancy by the general public, including residential construction with more than four (4) units or greater than three (3) stories in height. In addition, may perform any of the 33 building subcategories, as well as allowed to bid on all classified projects; must subcontract portions over \$25,000 to properly licensed contractors for electrical, plumbing, HVAC, masonry and geothermal well drillers. (See T.C.A. § 62-6-111(d))

▶ b. Small Commercial (BC-b(sm)) - (Test Required)

Same as above, but limited to obtaining a monetary limit of \$750,000 and less. A small commercial building contractor is authorized to bid on and contract for the construction, erection, alteration, repair or demolition of any building or structure for use and occupancy by the general public. Must take the “BC-B” exam to increase. May also take a combined exam to include residential and or industrial.

▶ C. Industrial (BC-C) - (Test Required)

A contractor under this classification is authorized to bid on and contract for the erection, alteration, repair and demolition of buildings or structures used for industrial production and service, such as manufacturing plants. May also take a BC combined exam to cover all building trades.

BC - BUILDING "SUBCATEGORIES" – A trade exam is not required to obtain five (5) or less of the following building subcategories. In addition, a BC or BC-B (commercial) or BC-A,B or BC-A,b(sm) contractor may bid and perform any of the 33 subcategories; a BC-A or BC-A/r contractor is limited to "residential" projects for these subcategories.

1. Acoustical Treatments (BC-1)
2. Carpentry, Framing and Millwork, etc. (BC-2)
3. Drywall (BC-3)
4. Floor Covering (BC-4)
5. Foundations (BC-5)
6. Glass, Window and Door Construction (BC-6)
7. Institutional and Recreational Equipment (BC-7)
8. Lathe, Plaster and Stucco (BC-8)
- *9. Masonry (BC- 9) – for projects less than \$100,000 – Eff. July 1, 2010 (no longer in use – see **LMC**)
10. Ornamental and Miscellaneous Metal (BC-10)
11. Painting, Interior Decorating (BC-11)
12. Roof Decks (BC-12) (*includes "gutters and vinyl siding"*)
13. Site and Subdivision Development (BC-13)
14. Special Coatings and Waterproofing (BC-14)
15. Tile, Terrazzo and Marble (BC-15)
16. Insulation (BC-16)
17. Elevators, Escalators, and Dumbwaiters (BC-17) (*Register with the Department of Labor*)
18. Erection and Fabrication of Structural Steel (BC-18)
19. Concrete (BC-19)
20. Sheet Metal (BC-20) (*includes "gutters and vinyl siding"*)
21. Roofing (BC-21)
22. Conveyors (BC-22)
23. Sandblasting (BC-23)
24. Golf Courses (BC-24)
25. Tennis Courts (BC-25)
26. Swimming Pools (BC-26)
27. Outdoor Advertising (BC-27)
28. Excavation (BC-28)
29. Landscaping (BC-29) (*Includes "mowing" contracts – see also HRA-E.1*)
30. Fencing (BC-30)
31. Demolition (BC-31)
32. Millwright (BC-32)
33. Irrigation (BC-33)

II. *Masonry (LMC**) – (Test Required)**

III. Specialty (S**) – No Test)**

If none of the above licensing classifications cover, the Board may assign a "Specialty" classification. A trade exam is not required for specialties; only the Business and Law. See the following examples:

S-Telecommunication / Cell Towers

S-Equipment Installation

S-Mold Remediation

S-Telecommunications

S-Solar Panel Installations (*with no electrical connections*)

S-Audio Visual

IV. HEAVY CONSTRUCTION (HC) – No Test

A. Marine (**HC-A**)

(Wharves, Docks, Harbor Improvements and Terminals)

B. Tunnel and Shaft (**HC-B**)

C. Energy and Power Plants (**HC-C**)

D. Dams, Dikes, Levees and Canals (**HC-D**)

E. Mining Surface and Underground (**HC-E**)

F. Oil Field Construction (**HC-F**)

G. Oil Refineries (**HC-G**)

► **Heavy Construction Categories** (Apply to All Areas)

1. Structural Steel Erection (**HC-1**)

2. Tower and Stack Construction (**HC-2**)

3. Foundation Construction, Pile Driving, Foundation Drilling, and Stabilization (**HC-3**)

4. Demolition and Movement of Structures (**HC-4**)

5. Clearing, Grubbing, Snagging and Rip Rap (HC-5)
6. Slipform Concrete Structures (HC-6)
7. Rigging and Crane Rigging (HC-7)
8. Welding (HC-8)

V. HIGHWAY, RAILROAD AND AIRPORT CONSTRUCTION (HRA) – No Test

(Check with the Department of Transportation for federal highway contractor requirements)

A. Grading and Drainage (HRA-A)

Includes grading, drainage pipe and structures, clearing and grubbing.

B. Base and Paving (HRA-B)

1. Base Construction
2. Hot and Cold Mix Asphalt
3. Surface Treatment Asphalt
4. Concrete Paving

C. Bridges and Culverts (HRA-C)

1. Painting
2. Repair
3. Demolition
4. Bridge Deck Overlay (Sealant)
5. Gunite
6. Cofferdam
7. Steel Erection

D. Railroad Construction and Related Items (HRA-D)

E. Miscellaneous and Specialty Items (HRA-E)

1. Traffic Safety
 - (a) Pavement Markers
 - (b) Signing
 - (c) Guardrail and Fencing
 - (d) Attenuators, signalization and roadway lighting
2. Landscaping

Includes seeding, sodding, planting, and chemical weed and brush control.
3. Pavement Rehabilitation

Includes pressure grouting, grinding and grooving, concrete joints, and underdrains.
- 4.* Well Drilling
5. Miscellaneous Concrete

Includes sidewalks, driveways, curb and gutter, and box culverts.

*Well Drilling requires a license from the Department of Environment and Conservation (TDEC) for their state permit requirements. <http://tennessee.gov/environment/permits/>

VI. MUNICIPAL AND UTILITY CONSTRUCTION (MU) – (BC-B Test Required for MU or MU-B)

Municipal and Utility Construction includes all supervision, labor, material and equipment to complete underground piping, water and sewer plants and sewer disposal, grading and drainage, and paving (unless restricted to specific areas named). A commercial (BC-B or BC) is considered an acceptable classification to bid and perform any of the work within these categories, including the MU-B.

A. Underground Piping (MU-A) (No Test for MU Subcategories)

Furnish supervision, labor, material and equipment to complete all underground piping for municipal and utility construction (unless restricted to specific areas names).

1. Gas Distribution and Transmission Lines
2. Sewer Lines, Storm Drains, Rehabilitation and Structures
3. Waterlines
4. Underground Conduit

B. Water and Sewer Systems (MU-B) – (Test Required: BC-B or BC (Commercial) or Classification)

*Effective April, 1996, requires a BC-B or BC (commercial) trade exam to obtain a MU-B or MU classification. A contractor with a BC or BC-B may bid and perform work without an MU or MU-B, to construct water and sewer plants. Contractors licensed prior to 1996 are considered grandfathered without an exam.

C. Grading and Drainage (MU-C) (No Test for MU Subcategories)

- Includes grading, drainage pipe and structures, clearing and grubbing.

D. Base and Paving (MU-D) (No Test for MU Subcategories)

1. Base Construction (MU-D,1)
2. Hot and Cold Mix Asphalt
3. Surface Treatment Asphalt
4. Concrete Pavement
5. Miscellaneous Concrete (includes sidewalks, driveways, curb and gutter, and box culverts)

VII. MECHANICAL CONTRACTING (CMC) – (Test Required for full CMC)

- ▶ Pre-approval required to take CMC or CMC-A (plumbing) exam.
- ▶ *Subcontractors performing mechanical work must be licensed as a contractor.*
- ▶ Must also obtain local license for permits and inspections

- A. Plumbing and Gas Piping **(CMC-A)** - *(Test Required – Pre-approval required to take exam)*
- B. Process Piping **(CMC-B)** – *(*No Test)*
- C. HVAC, Refrigeration and Gas Piping **(CMC-C)** - *(Test Required)*
 - ▶ Solar HVAC (**Geothermal) – *(Test Required – CMC-C)*
- D. Sprinklers & Fire Protection - **(CMC-D)** - *(Test Required)*
- E. Insulation of Mechanical Work **(CMC-E)** – *(*No Test)*
- F. Pollution Control **(CMC-F)** – *(No Test for CMC-F, only)*
- G. Pneumatic Tube Systems **(CMC-G)** – *(*No Test)*
- H. Temperature Controls (Pneumatic) **(CMC-H)** - *(*No Test)*
- I. ***Boiler Construction & Repairs **(CMC-I)** - *(*No Test)*
- J. Fuel Gas Piping and Systems **(CMC-J)** - *(*No Test)*

*No test for five (5) or less of some subcategories, such as: B, E, F, G, H, I, and J

**Geothermal – Well Drillers must be licensed with the Department of Environment and Conservation

***Boiler construction requires permits with the Department of Labor at: <http://www.state.tn.us/labor-wfd/boilers.html>

Note: A contractor with a “C” in front of the classification means they took the statewide certified trade exam after May, 1992. The Board is in the process of writing new rules to include.

VIII. ELECTRICAL CONTRACTING (CE) - Test Required for full CE (includes CE-A,H)

- ▶ Subcontractors performing electrical work must be licensed as a contractor
- ▶ Must also obtain local license for permits and inspections

- A. Electrical Transmission Lines **(CE-A,H)** - *(Test Required – CE-A,H is limited to High Voltage)*
- B. Electrical Work for Buildings and Structures - *(Test Required – full CE)*
- C. Underground Electrical Conduit Installation **(CE-C)** – *(No Test for** Low Voltage – 70 volts or less)*
- D. Sound/Intercom Systems, Fire Detection Systems, Signal/Burglar Alarm, Security **(CE-D)** – *(**No Test)*
- E. Electrical Signs **(CE-E)** – *(CE Test Required if more than 70 volts)*
- F. Telephone Lines and Ducts **(CE-F)** – *(No Test; Low Voltage)*
- G. Cable T.V. **(CE-G)** – *(No Test; Low Voltage)*
- H. Substations **(CE-A,H)** – *(CE-A,H Test – Limited to High Voltage - CE covers all)*
- I. Electrical Temperature Controls **(CE-I)** - *(No Test; Low Voltage)*
- J. Fire Detection Systems, Signal and Burglar Alarm Systems and Security Systems with conduit and wiring above (70) volts require an electrical exam. **(CE-J)** - *(CE Test Required)*
- K. Roadway Lighting, Attenuators and Signalization **(CE-K)** – *(CE Test Required)*

*Low Voltage may be listed as a specialty, such as S-Audio Visual or E-D,F, or G (less than 70 volts)

**CE-D – Alarm contractors must obtain a license with the with Alarm Systems Contractors Board at: <http://tn.gov/commerce/boards/asc/index.shtml> (See § 62-6-135)

***Inspections may be required by local level or by the State Fire Marshal

IX. Specialty/Environmental (S) - (No Test)

*Based upon experience, training and certifications

- A. Asbestos Material Handling/Removing **(S-A or S-Asbestos)**
- B. Underground Storage Tank **(S-B or S-UST)**
- C. Lead-Based Paint Abatement **(S-C or S- Lead)**
- D. Hazardous Waste Removal **(S-D or S-Hazardous)**
- E. Air, Water or Soil Remediation **(S-E or S-Remediation)**

*Specialty for environmental classifications must submit environmental training certificates

X. Specialty/Medical Gas Piping (S-Medical Gas Piping) – (No Test - Certification Required)

- A. Medical Gas Piping Installer Certification Requirements.

General Information

Contractor Definition – License Required

T.C.A. § 62-6-102. (1) "Commercial building contractors" are those contractors authorized to bid on and contract for every phase of the construction, direction, alteration, repair or demolition of any building or structure for use and occupancy by the general public; (2) "Contracting" means any person or entity who performs or causes to be performed any of the activities defined in subdivision (3)(A) or (6); (3) (A) (i) "Contractor" means any person or entity who undertakes to, attempts to, or submits a price or bid or offers to construct, supervise, superintend, oversee, schedule, direct, or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down, or furnishing labor to install material or equipment for any building, highway, road, railroad, sewer, grading, excavation, pipeline, public utility structure, project development, housing, housing development, improvement, or any other construction undertaking for which the total cost of the same is twenty-five thousand dollars (\$25,000) or more; and masonry where the cost is \$100,000 or more. (ii) "Contractor" includes, but is not limited to, a prime contractor, electrical contractor, electrical subcontractor, mechanical contractor, mechanical subcontractor, plumbing contractor, and plumbing subcontractor; and a masonry subcontractor performing work \$100,000 or more (includes materials and labor). (iii) If the cost of a project exceeds twenty-five thousand dollars (\$25,000), "contractor" also includes a construction manager of any kind, including, but not limited to, a residential construction manager, construction consultant, architect, and/or engineer who conducts or provides any activity or service described herein other than normal architectural and engineering services. Pursuant § 62-6-112, There are nine (9) major construction classifications in which a contractor may apply for a license: (1) Commercial building construction; (2) Industrial construction; (3) Heavy construction; (4) Highway, railroad and airport construction; (5) Municipal and utility construction; (6) Mechanical construction; (7) Electrical; (8) Environmental and Special Construction; and (9) Residential Construction. Rule 0680-1-.16 lists the classification system for each of these, including 33 building subcategories (landscaping, roofing, excavation, etc.). Specialties are those where the Board may depart from the licensing system for projects such as: solar panel installation; communication/cell tower installation; audio video, etc. (Effective January 1, 2011, masonry subcontractors are required to be licensed to perform work over \$100,000 and must be listed on the outside of the bid envelope.)

Monetary Limit and Classification

Contractors are assigned a monetary limit, in addition to a classification on their license. Pursuant, T.C.A. § 62-6-111(4)(d), for projects \$25,000 or more, a contractor may bid a contract in a classification other than as licensed, as long as their classification covers 60% of the total project or if they have a BC or BC-B (commercial) classification. They would be required to subcontract to a properly licensed contractor for the portion over \$25,000, not under their classification. Electrical, mechanical, plumbing, HVAC or masonry must be licensed as contractors to perform projects; *masonry if \$100,000 or more.

Joint Venture Rule (0680-1-.11)

Allows two licensed contractors a means to combine monetary limit to perform a project. Must contract and permit in both licensed names and have the required license classification to perform the project.

Monetary Limit Rule (0680-1-13)

Allows a licensed contractor a 10% bid tolerance on monetary limit. Materials and labor is included as part of the project.

Bidding Envelope Requirements (TCA § 62-6-119)

The law states the prime (general) contractor's name as licensed, license ID number, classification, and expiration date, is required to be on the outside of a bid envelope. The subcontractor for electrical, plumbing, mechanical and HVAC must appear, and effective July 1, 2010, masonry contractors performing work in the amount \$100,000 or more, must also be listed on the outside of the bid envelope. Geothermal well driller's TDEC licensing information may also be required. In some instances, the awarding authority may request the monetary limit to be listed. Therefore, it is very important to review all instructions.

If the amount of the subcontractor's portion is less than \$25,000, the law states subcontractor licensing information **MAY** be listed. Therefore, the Board for Licensing Contractors does not consider a violation of law for failure to list subcontractor information, when their portion is less than \$25,000. More information on bidding is listed on the website at:

<http://tn.gov/commerce/boards/contractors/documents/BiddingInformation.pdf>

Other Licensing for Projects Less than \$25,000

The Board regulates several professions in addition to Contractor licensing. The following licenses are not required or acceptable in all counties. Please check our website for licensing programs for projects where the cost is less than \$25,000 for:

- Home Improvement (\$3,000 to \$24,999)
- LLE (Limited Licensed Electrician)
- LLP (Limited Licensed Plumber)
- Pre-Licensed Exam Course Providers

In addition, please check with the local municipality for their license, permit and inspection requirements. Their contact information is at:

<http://www.tennesseeanytime.org/local/index.html>

Websites**Board for Licensing Contractors**

(Valuable Resources for the Industry, Forms, Information and Updates on Law Changes)

<http://tn.gov/commerce/boards/contractors/>

Department of Fire Prevention

(Fire Sprinkler, Codes Adoptions, Electrical Inspections)

<http://www.state.tn.us/commerce/sfm/>

Alarm Systems Contractors Board

(Alarm, Security Systems, etc.)

<http://tennessee.gov/commerce/boards/asc/>

Department of Environment and Conservation

(Permits for Well Drillers (Geothermal), Excavation, Septic Tanks, Burning Law, etc.)

<http://www.tennessee.gov/environment/>

Department of Labor and Workforce Development

(Insurance, Boiler and Elevator Inspection Permits, Employment Laws, etc.)

<http://www.state.tn.us/labor-wfd/tosha.html>

Local Government Agencies

(City, County, Municipality, Codes Inspections, Permits, etc.)

<http://www.tennesseeanytime.org/local/index.html>

Law (Contractors – Title 62, Part 6; Fire Sprinkler – Title 62, Part 32; Electrical – Title 68, Part 102, etc.)

<http://www.michie.com/tennessee/>

EXAMINATIONS

The Examination vendor for Tennessee is PSI. You may review their test information, for registration and study materials offered, from our website or at the following links:

Website of PSI (Online Registration)

<http://candidate.psiexams.com/index.jsp>

"Candidate Information Bulletin" of PSI's Exam Information [pdf]

http://candidate.psiexams.com/bulletin/display_bulletin.jsp?ro=yes&actionname=83&bulletinid=200&bulletinurl=.pdf

All candidates obtaining a new "Contractor" license are required to take the "*Business and Law*" exam. The exam is open book and based upon the reference manual, "*Contractor's Guide to Business, Law and Project Management*" the Tennessee edition, published by NASCLA. Information on ordering the book is available on both of the above referenced websites. The contractor applicant may have an owner or a full time employee act as the Qualifying Agent to take the exam. The license is issued to the entity supplying the financial statement. Upon reviewing the classification outline, you may determine whether a trade exam is also required. The following are a list of tests offered by PSI:

BUSINESS AND LAW

Required by all new contractor License applicants

TRADE EXAMS

BC-A – Residential Contractor Building
BC-B – Commercial Contractor Building
BC-b(sm) – Small Commercial Contractor (for projects less than \$750,000)
BC-C – Industrial Contractor Building
BC-A, B - Combined Residential/Commercial Contractor Building
BC-A, b(sm) - Combined Residential/Small Commercial Contractor Building
BC-B,C - Combined Commercial/Industrial Contractor Building
BC - Combined Residential/Commercial/Industrial Contractor Building
LMC – Licensed Masonry Contractor
CE – Electrical Contractor
CE-A,H - High Voltage Electrical Contractor
*CMC – Full Mechanical Contractor
*CMC- A - Mechanical Plumbing
CMC-C – Mechanical - HVAC/Refrigeration Contractor
**CMC-D – Mechanical - Fire Sprinklers and Fire Protection Contractor

NATIONAL COMMERCIAL EXAM

The NASCLA approved National Commercial Exam is acceptable by Tennessee for the BC-B classification.

NO TRADE EXAM/SPECIALTY CLASSIFICATIONS

Example: If a prime contractor (contracting directly with the owner) wants a license to install solar panels, the only exam needed would be the "Business and Law" in order to obtain a specialty classification.

***Plumbing Exam Pre-Approval** – The (CMC-A) plumbing and full mechanical (CMC) exams require pre-approval from our office to take these exams with PSI. The pre-approval takes less than 3 to 5 days to approve candidates to take the exam, upon receipt of the completed experience verification form showing proof of three (3) years experience. This form is available in the exam bulletin or from our website at:
<http://tennessee.gov/commerce/boards/contractors/documents/PlumbingExpApprovalWeb.pdf>

****CMC-D Fire Sprinkler** contractors must also be licensed with the Division of Fire Protection at:
<http://tn.gov/commerce/sfm/index.shtml>

Other exams offered by PSI are for our other licensing program professions: LLE (Limited Licensed Electrician) and LLP (Limited Licensed Plumber). These professions are not required to take the Business and Law exam and obtain a separate license. Contractors with a CE classification are exempt from the LLE; mechanical contractors with a CMC or CMC-A are exempt from the LLP license.

Reciprocity (trade exam waiver agreements) information and also "FAQ – Frequently Asked Questions" is available from our website at: <http://tn.gov/commerce/boards/contractors/>